

## Chapter 8: Concept Notes Template and Guidance

### *Background*

In order to meet the target 27 month timeline for compact development, it is necessary for core teams and MCC transaction teams to begin identifying potential projects as soon as possible. Shortly after the first draft of the constraints analysis, MCC should provide the core team with up-front guidance and coaching regarding MCC's investment criteria, as well as an illustrative list of MCC projects done to date, projects MCC has rejected, and why. On the basis of this guidance and more intensive, sustained dialogue with MCC (including coaching by technical sector staff on critical aspects of MCC's requirements in key functional areas that country counterparts need to understand), countries will begin the process of project selection.

On the basis of this guidance, countries should provide MCC with preliminary project proposals (i.e., "concept notes") outlining potential projects for consideration. These concept notes, not to exceed five pages, should provide MCC with an initial outline of basic project characteristics, including a project description, economic logic, link to a binding constraint to economic growth, whether feasibility or design studies already exist, and whether the project builds on or complements existing government or donor projects. Concept notes should also provide a short qualitative description of the potential economic benefit streams and beneficiaries of the proposed investment. The purpose of the concept notes is to identify the pool of potential projects in country, facilitate earlier project appraisal by MCC, and earlier engagement of MCC technical staff in order to determine which project concepts are viable enough to develop more comprehensive project concept papers. In some cases, projects that are clearly incompatible with MCC's model will be removed from consideration. Others will proceed to the development of more comprehensive concept papers.

### *Guidance on Project Selection*

Country ownership is a core principle of MCC's operations, and the project selection process must ultimately be a country-led process. Nonetheless, MCC has over time learned that particular kinds of projects are more likely to be achievable within a five year implementation time frame under the managerial control of partner country staff. Once there is agreement on one or more binding constraints to growth, MCC should begin immediate discussions with the core team to identify those projects most likely to satisfy MCC's multiple investment criteria. The following page provides a template countries may use to structure the concept note submissions to MCC.

## Concept Note Template

**Project Title:**

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**Project Description:**

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**Link to Constraints Analysis:**

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**Project Goal and Objectives:**

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**Intended Project Results:**

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**Project Logic:**

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**Project Location:**

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**Is the project new, or is it an extension of another government or donor project?**

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**Are there feasibility studies or engineering designs available for the project?**

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